

ESTATE AND GIFT TAX

	2021	2022
Estate tax:		
Exclusion amount	\$11,700,000	\$12,060,000
Maximum tax rate	40%	40%
Gift tax:		
Exemption	\$11,700,000	\$12,060,000
Annual exclusion	15,000	16,000

CORPORATE INCOME TAX RATES

REGULAR TAX	Flat Rate 21%
2021 & 2022	

NET OPERATING LOSSES

LIMITATION ON CARRYFORWARD:

	2021	2022
Taxable income limitation of NOL	80%	80%
Period of Carryover	Indefinite	Indefinite

LIMITATION ON CARRYBACK:

	2021	2022
Period of Carryback	Not allowed	Not allowed

MICHIGAN TAXPAYERS

CORPORATE INCOME TAX (CIT)

Tax rate	6.00%
Filing threshold (apportioned gross receipts)	\$350,000

INDIVIDUAL INCOME TAX

	2021	2022
Tax rate	4.25%	4.25%
Personal exemption	\$4,900	\$5,000

PER DIEM RATES*

	High Cost Locality	Low Cost Locality
Meals and incidental expenses	\$74	\$64
Lodging	222	138
Total	\$296	\$202

*Using the simplified method of determination.

SECTION 199A DEDUCTION

Maximum qualified business income deduction: 20%

Limitation:
 1. 50% of W-2 wages, or
 2. 25% of W-2 wages + 2.5% of qualified property.

	2021	2022
Phase-in of W-2 wages and qualified property limitations:		
Joint return (taxable income)	\$329,800/429,800	\$340,100/440,100
Single (taxable income)	164,900/214,900	170,050/220,050

	2021	2022
Phase-out for specified service trade or businesses:		
Joint return (taxable income)	\$329,800/429,800	\$340,100/440,100
Single (taxable income)	164,900/214,900	170,050/220,050

EMPLOYMENT TAX RATES

SOCIAL SECURITY AND MEDICARE TAXES

	2021	2022
Social Security wage base	\$142,800	\$147,000
Social Security tax rate:		
Employee	6.20%	6.20%
Employer	6.20%	6.20%
Medicare tax rate:		
Employee	1.45%	1.45%
Employer	1.45%	1.45%
Total Social Security and Medicare taxes:		
Employee	7.65%	7.65%
Employer	7.65%	7.65%
Total	15.30%	15.30%

Additional 0.9% Medicare tax on wages and self-employment income in excess of:	2021	2022
Joint return	\$250,000	\$250,000
Single	200,000	200,000

DEPRECIATION

BONUS DEPRECIATION

	2021	2022
Bonus depreciation rate	100%	100%

SECTION 179 DEDUCTION

	2021	2022
Deduction limit*	\$1,050,000	\$1,080,000
Qualifying property limit*	2,620,000	2,700,000
SUV deduction limit*	26,200	27,000

*Permanent and is indexed for inflation beginning in 2019

LUXURY AUTO MAXIMUM DEDUCTION

	2021
First year	\$10,200
First year, with bonus depreciation	18,200
Second year	16,400
Third year	9,800
Fourth year and thereafter	5,860

AUTO STANDARD MILEAGE ALLOWANCES

	Business	Medical/Moving	Charitable
2021	56.0¢	16.0¢	14.0¢
2022	58.5¢	18.0¢	14.0¢



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2022 TAX GUIDE



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INDIVIDUAL INCOME TAX RATES

REGULAR TAX 2021	BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
Joint return	\$ 0	\$ 0	10%
	19,900	1,990	12%
	81,050	9,328	22%
	172,750	29,502	24%
	329,850	67,206	32%
	418,850	95,686	35%
	628,301	168,994	37%
Single	\$ 0	\$ 0	10%
	9,950	995	12%
	40,525	4,664	22%
	86,375	14,751	24%
	164,925	33,603	32%
	209,425	47,843	35%
	523,600	157,804	37%
Head of household	\$ 0	\$ 0	10%
	14,200	1,420	12%
	54,200	6,220	22%
	86,350	13,293	24%
	164,900	32,145	32%
	209,400	46,385	35%
	523,600	156,355	37%
2022			
Joint return	\$ 0	\$ 0	10%
	20,550	2,055	12%
	83,550	9,615	22%
	178,150	30,427	24%
	340,100	69,295	32%
	431,900	98,671	35%
	647,850	174,254	37%
Single	\$ 0	\$ 0	10%
	10,275	1,028	12%
	41,775	4,808	22%
	89,075	15,214	24%
	170,050	34,648	32%
	215,950	49,336	35%
	539,900	162,718	37%
Head of household	\$ 0	\$ 0	10%
	14,650	1,465	12%
	55,900	6,415	22%
	89,050	13,708	24%
	170,050	33,148	32%
	215,950	47,836	35%
	539,900	161,219	37%
LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS			
2021	*Married filing separate thresholds are one-half of these amounts		
Joint return*	Single	Head of Household	Tax Rate
\$0 to \$80,800	\$0 to \$40,400	\$0 to \$54,100	0%
80,801 to 501,600	40,401 to 445,850	54,101 to 473,750	15%
501,601 or more	445,851 or more	473,751 or more	20%
2022			
Joint return*	Single	Head of Household	Tax Rate
\$0 to \$83,350	\$0 to \$41,675	\$0 to \$55,800	0%
83,350 to 517,200	41,676 to 459,750	55,801 to 488,500	15%
517,201 or more	459,751 or more	488,501 or more	20%

INDIVIDUALS

STANDARD DEDUCTION	2021	2022
Standard deduction		
Joint return	\$25,100	\$25,900
Single	12,550	12,950
Head of household	18,800	19,400
Additional deduction for the blind and/or elderly:		
Joint return (each)	\$1,350	\$1,400
Single	1,700	1,750
ALTERNATIVE MINIMUM TAX (AMT)		
Tax rate:	2021	2022
26% of AMT income up to:	\$199,900	\$206,100
Plus 28% of AMT income in excess of:	199,900	206,100
Exemption:		
Joint return	\$114,600	\$118,100
Single	73,600	75,900
Exemption phaseout:		
Joint return	\$1,047,200/1,505,600	\$1,079,800/1,552,200
Single	\$23,600/818,000	\$39,900/843,500
DEPENDENT TAX CREDITS		
2021	2022	
Dependent child under age 6	\$3,600	\$2,000
Dependent child ages 6-16	3,000	2,000
Dependent child age 17	3,000	\$500
Maximum refundable portion	3,600	1,500
Child 18 & older or Other Dependents	500	500
AMERICAN OPPORTUNITY CREDIT*		
2021	2022	
Maximum credit	\$2,500	\$2,500
Phaseout:		
Joint return	\$160,000/180,000	\$160,000/180,000
Single	80,000/90,000	80,000/90,000
*Not allowed under married filing separately		
LIFETIME LEARNING CREDIT		
2021	2022	
Maximum credit	\$2,000	\$2,000
Phaseout:		
Joint return	\$160,000/180,000	\$160,000/180,000
Single	80,000/90,000	80,000/90,000
STUDENT LOAN INTEREST DEDUCTION		
2021	2022	
Maximum deduction	\$2,500	\$2,500
Phaseout:		
Joint return	\$140,000/170,000	\$145,000/175,000
Single	70,000/85,000	70,000/85,000
ITEMIZED DEDUCTION FOR MEDICAL EXPENSES		
2021	2022	
Percentage of AGI floor	7.5%	7.5%

INDIVIDUALS

ADDITIONAL 3.8% MEDICARE TAX ON NET INVESTMENT INCOME	
Lesser of: 1) net investment income or 2) Modified Adjusted Gross Income (MAGI) in excess of:	
Joint return	\$250,000
Single/Head of Household	200,000

RETIREMENT PLAN CONTRIBUTION LIMITS

INDIVIDUAL AND CORPORATE LIMITATIONS	2021	2022
Annual deferral limits:		
401(k)/403(b)	\$19,500	\$20,500
SIMPLE Plan	13,500	14,000
Individual Retirement Account (IRA)	6,000	6,000
Roth IRA	6,000	6,000
Catch-up contribution for taxpayers age 50 and over:		
401(k)/403(b)	\$6,500	\$6,500
SIMPLE Plan	3,000	3,000
Individual Retirement Account (IRA)	1,000	1,000
Roth IRA	1,000	1,000
Traditional IRA deduction phaseout:		
Unmarried and active participant	\$66,000/76,000	\$68,000/78,000
MFJ - nonparticipating spouse	198,000/208,000	204,000/214,000
MFJ - participating spouse	105,000/125,000	109,000/129,000
Roth IRA contribution eligibility:		
Joint return	\$198,000/208,000	\$204,000/214,000
Single, head of household	125,000/140,000	129,000/144,000
Other information:		
Compensation limit	\$290,000	\$305,000

HEALTH SAVINGS ACCOUNTS (HSA)

	2021	2022
Individual	\$3,600	\$3,650
Family	7,200	7,300
Catch-up contribution (age 55+)	1,000	1,000

FLEXIBLE SPENDING ACCOUNTS (FSA)

Maximum Deduction	2021	2022
	\$2,750	\$2,850

SOCIAL SECURITY BENEFITS

TAXABLE SOCIAL SECURITY BENEFITS		
Provisional income*		
Married	Single	% Subject to Tax
Over \$32,000	Over \$25,000	50%
Over \$44,000	Over \$34,000	85%
*Provisional income includes adjusted gross income, tax exempt interest, certain foreign source income and one-half of Social Security benefits.		
MAXIMUM ANNUAL EARNED INCOME LIMIT*	2021	2022
Below full retirement age	\$18,960	\$19,560
Year full retirement age reached	50,520	51,960
Full retirement age	no limit	no limit
*Earned income exceeding this limit results in reduction of Social Security benefits.		